



1. Executive Summary

1.1 State Environmental Policy Act Process Overview

1.1.1 Introduction

The Washington State Department of Natural Resources (DNR) recognizes the importance of the State Environmental Policy Act (SEPA) to the process for writing the *Policy for Sustainable Forests*, formerly the *Forest Resource Plan*. The SEPA process provides opportunities for other agencies, stakeholders, the Tribes and the public to participate in developing and analyzing information. This process, as detailed in chapter 197-11 WAC, ensures that the Board of Natural Resources understands the environmental consequences of its decisions and considers mitigation of probable significant adverse environmental impacts when making these decisions.

The SEPA Environmental Impact Statement (EIS) process includes:

- Scoping;
- Preparing a Draft EIS, which analyzes the probable impacts of a proposal and reasonable alternatives;
- Issuing a Draft EIS for review and public comment;
- Preparing a Final EIS, which includes analyzing and responding to comments received on the Draft EIS;
- Amending the Draft EIS as needed to address comments or changes to the proposal;
- Issuing a Final EIS; and
- Using a Final EIS in decision-making.

1.1.2 Alternatives

The focus of a Draft and Final EIS is to analyze a range of reasonable alternatives, to assess their probable significant adverse environmental impacts, to identify mitigation measures to avoid or minimize adverse environmental impacts, and respond to comments received on the Draft EIS.

Alternatives are one of the basic building blocks of an EIS. They present meaningful options for the Board of Natural Resources' decisions. Policy changes being considered by the Board of Natural Resources are defined in the set of reasonable alternatives described in Chapter 3 of this Final EIS. All of these alternatives represent different

policy choices, which are consistent with the purpose and need for updating the *Forest Resource Plan*. Moreover, the Board of Natural Resources utilized 10 policy objectives that met the purpose and need to help identify policy subjects and guide development of reasonable alternatives (see Section 1.2.3 Policy Objectives).

In addition, the alternatives incorporate information gathered and issues rose through the SEPA scoping and Draft EIS process.

This Final EIS includes a Board's Preferred Alternative for each policy area. In most instances, the Board's Preferred Alternative is essentially the same as the Department's Recommended Alternative in the Draft EIS with minor changes added for clarity. The Board's Preferred Alternatives are arrayed in the Final EIS, along with other alternatives, so the differences can be readily observed. While most policy subject areas help achieve several policy objectives, none of the policy subject areas alone address all of the policy objectives. In some instances several objectives were met by the development of a range of policy alternatives for a specific policy subject, e.g. Visual Impacts. In other instances a specific policy subject area was developed to fulfill a specific policy objective, e.g. External Relationships. The aggregate of the policies and alternatives analyzed in this *Final Environmental Impact Statement on the Policy for Sustainable Forests* have been narrowed to meet the aggregate of the policy objectives including the purpose and need for updating the 1992 *Forest Resource Plan*. The policy proposals work in conjunction with one another to make up the *Policy for Sustainable Forests* and together meet the Board of Natural Resources identified purpose, need and policy objectives.

1.1.3 Non-Project Proposal

The *Policy for Sustainable Forests* is a "non-project action" under SEPA. Non-project (also called programmatic) actions include the adoption of plans, policies, programs or regulations that contain standards controlling the use of the environment or standards that will guide future actions. Future site-specific management decisions on forested state trust lands will be guided by the policies developed during this process. The probable significant adverse environmental impacts analyzed in a non-project EIS are those impacts foreseeable at this stage, before specific project actions are planned.

1.1.4 Scoping

Scoping initiates public involvement in the SEPA process. It has three purposes: to narrow the focus of the EIS to significant environmental issues; to eliminate issues that would have insignificant impacts or that are not directly related to the proposal; and to help identify reasonable alternatives, consistent with the purpose and need of the proposed decision, to be analyzed in the EIS.

The scoping process alerts the public, the project proponent and the lead agency to areas of concern and potential controversy early in the process. Here, DNR is both the project proponent and the lead agency.

The SEPA process for this update to the *Forest Resource Plan* was formally initiated with the scoping notice published on March 15, 2004. This was followed by a series of seven public workshops held between March 22 and April 1, 2004 in Mount Vernon,

Seattle, Port Angeles, Longview, Lacey, Ellensburg and Spokane. The formal SEPA scoping period ended on May 17, 2004. Many interested individuals and stakeholders attended these public workshops and provided oral testimony. In addition to comments received at these public workshops, DNR received written scoping comment letters and met with many stakeholder groups.

1.1.5 Draft EIS

After the Draft EIS was issued, DNR held a series of seven public hearings in Lacey, Mount Vernon, Port Angeles, Longview, Bellevue, Ellensburg and Spokane. The public hearings were held between May 3 and 11, 2005.

1.1.6 Final EIS

Interested individuals and stakeholders attended the public hearings and provided comments to DNR on the Draft EIS. Those comments have been considered, summarized and responded to in this Final EIS.

1.1.7 Decisions to be Made

This Final EIS is provided to assist the Board of Natural Resources in deciding which policies will be adopted in the *Policy for Sustainable Forests*. Upon the Board of Natural Resources' approval of the *Policy for Sustainable Forests*, DNR will have an updated set of working policies to guide its management of 2.1 million acres of forested state trust lands. DNR will review and develop appropriate guidance for implementation based on direction provided in the adopted policies. DNR will then update any other applicable DNR policies and procedures based on direction provided in the adopted policies.

1.2 Purpose and Need

1.2.1 Purpose

Consistent with the fiduciary standards governing trust management, the purpose of the *Policy for Sustainable Forests* is to conserve and enhance the natural systems and resources of forested state trust lands managed by DNR to produce long-term, sustainable income, and environmental and other benefits for the people of Washington.

1.2.2 Need

A review and update of the 1992 *Forest Resource Plan* is needed to keep pace with the changes shaping current management of forested state trust lands. The *Forest Resource Plan* was envisioned to be a ten-year document. In 2002, the policies in the plan were extended by the Board of Natural Resources for an additional three years so DNR could complete the Western Washington sustainable harvest calculation, which was identified as the first step to revising the *Forest Resource Plan*. The policies amended through the *Final Environmental Impact Statement on Alternatives for Sustainable Forest Management of State Trust Lands in Western Washington* (2004) have already been analyzed and adopted by the Board of Natural Resources and will be included in the

Policy for Sustainable Forests (see Appendix A). The development of the *Policy for Sustainable Forests* will position DNR to effectively and sustainably manage forested state trust lands for the trust beneficiaries and the people of Washington.

1.2.3 Policy Objectives

The policy objectives for the *Policy for Sustainable Forests* are as follows:

1. Meet all federal and state laws, including the trust obligations and the contractual commitments of DNR's *Habitat Conservation Plan* (HCP).
2. Balance trust income, environmental protection and other social benefits from four perspectives: the prudent person doctrine; undivided loyalty to and impartiality among the trust beneficiaries; intergenerational equity; and not foreclosing future options.
3. Ensure policies are succinct, relevant and easily understood by the public and department employees.
4. Seek productive partnerships that help the department achieve policy objectives.
5. Use professional judgment, best available science and sound field forestry to achieve excellence in public stewardship.
6. Pursue outcome-based management within a flexible framework.
7. Promote active, innovative and sustainable stewardship on as much of the forested land base as possible.
8. Identify trust lands that provide special ecological, social or cultural benefits that are incompatible with active management and look for opportunities to protect such areas through creative partnerships and funding mechanisms with appropriate compensation to the trusts.
9. Capture existing and future economic opportunities for the beneficiaries from the forest land base by being prudent, innovative and creative.
10. Monitor and periodically report to the Board of Natural Resources on the implementation and outcomes of Board of Natural Resources' approved policies.

1.3 Issues Identified Through Scoping

The comments received during scoping from the many interested individuals and stakeholders captured diverse issues, ideas and opinions. These comments and DNR's responses were prepared in a summary (see Appendix E). These comments, along with comments received on the Draft EIS, led to the development of policy alternatives which are addressed in the following four major policy categories and subsequent 25 policy subject areas:

Economic Performance

- Financial Diversification
- Financial Assumptions
- Harvest Deferral Designations (formerly "Land Classifications")

Forest Ecosystem Health & Productivity

- Forest Health
- Catastrophic Loss Prevention (formerly “Wildfire and Catastrophic Loss Prevention”)
- Genetic Resource
- Special Ecological Features
- Old-Growth Stands in Western Washington (formerly “Older Forests and Old Growth”)
- Wildlife Habitat
- Watershed Systems
- Riparian Management Zones (combined with “Wetlands” and retitled “Riparian Conservation”)
- Wetlands (combined with “Riparian Management Zones” and retitled “Riparian Conservation”)

Social and Cultural Benefits

- Public Access and Recreation
- Cultural Resources
- Visual Impacts (formerly “Visual Management”)
- Local Economic Vitality

Implementation

- Forest Land Planning
- General Silvicultural Strategy
- Forest Land Transactions
- Forest Roads (formerly “Roads”)
- Acquiring Rights of Way
- Granting Rights of Way
- Research
- External Relationships
- SEPA Review
- Implementation, Reporting and Modification of the Policy for Sustainable Forests (formerly “Implementation, Reporting and Modification”)

1.4 Summary of Proposal, Alternatives, Impacts and Mitigation Measures by Major Policy Category

Alternatives for twenty-five policies are proposed and organized into four major policy categories: Economic Performance; Forest Ecosystem Health and Productivity; Social and Cultural Benefits; and Implementation.

1.4.1 Economic Performance

Three policy subject areas make up the Economic Performance major policy category. The Board's final preferred policies will provide direction to DNR for decisions directly affecting the generation of sustainable revenue from the management of forested state trust lands. DNR's fiduciary duties include the generation of sustainable income from the forested state trust lands. The alternatives span levels of financial risk that the Board of Natural Resources is considering in pursuing new markets for forest and other products. They cover the frequency and approach to reviewing financial assumptions, as well as the classifications of trust lands that are designated as available or deferred from harvest. No probable adverse environmental impacts are identified for this set of policy alternatives, since they simply address the nomenclature used for these designations. The actual determination of forest lands that are available for harvest are made at the time that the sustainable harvest calculation is done.

1.4.2 Forest Ecosystem Health and Productivity

Eight policy subject areas make up the Forest Ecosystem Health and Productivity major policy category. The Board's final preferred policies will provide direction to DNR for management decisions that directly affect the health and productive capacity of forest ecosystems on forested state trust lands. The overall ecological condition of the forest asset directly impacts the economic, ecological and social values that these lands can provide. Each of the environmental elements covered in these policy subject areas is considered integral to the total health of the forest ecosystem. As such, the emphasis is placed on the need to provide landscape-scale policy alternatives that mitigate impacts over the life of these policies. The landscape scale mitigation focus draws upon the diversity of the forested state trust lands and the relationship between the physical and biological attributes represented in the landscape's ecoregions. This includes mitigation for probable significant adverse environmental impacts to wildlife, old growth, watersheds, wetlands and riparian areas, special ecological features and the inherent genetic diversity of the forest. Potential threats to the forested trust asset from insects and disease epidemics, wildfire and similar catastrophic events are also mitigated in the range of alternatives being considered, as well as through compliance with state and federal law and DNR's HCP.

1.4.3 Social and Cultural Benefits

Four policy subject areas make up the Social and Cultural Benefits major policy category. The Board's final preferred policies will provide direction to DNR for management decisions that directly affect social and cultural benefits derived from forested state trust lands. State law requires the provision for multiple use on forested state trust lands, when consistent with meeting trust obligations and producing sustainable revenue for each trust beneficiary over time. Scenic views are recognized as a substantial benefit to the people of Washington, as well as to visitors. Cultural resources are recognized as a substantial benefit to the state, helping people understand and appreciate the past history and current culture of Washington. In addition, it is understood that DNR programs can affect local economic vitality. The probable significant adverse environmental impacts and mitigation of impacts to both the natural and built environment are considered within a range of

policy alternatives that meet state and federal law and trust objectives. Significant adverse impacts to the natural environment are not identified from any of the alternatives. However, some of the alternatives may impact the public's ability to recreate, due to strategies that would limit access as a means of providing public safety, mitigating other adverse environmental impacts from recreation, or protecting trust assets.

1.4.4 Implementation

Ten policy subjects make up the Implementation major policy category. These policy subject areas provide direction to DNR for implementation of the *Policy for Sustainable Forests*. There are policy alternatives for research; forest land planning; silviculture strategies; forest roads; land transactions; rights of way; external relationships; environmental review; and implementation, reporting and modification of the *Policy for Sustainable Forests*. The Board's final preferred policies will provide a coordinated and comprehensive framework for implementation. Their emphasis is on ensuring efficiency in implementation and correction, when necessary, to achieve the policy objectives and outcomes described in the *Policy for Sustainable Forests*. The Board's final preferred policies focus on landscape-scale approaches to analyze and mitigate potentially significant adverse environmental impacts and target landscape-scale enhancements of the forest asset. Cooperation and coordination with stakeholders is emphasized to ensure their involvement in DNR plans and decisions. The alternatives being considered rely heavily on effective communication at all levels with affected government agencies, Tribes and the public to ensure that the potential for significant environmental impacts are considered and mitigated where possible.

1.5 Significant Issues and Environmental Choices Among the Alternatives

The 25 policy subject areas in this Final EIS are analyzed individually, due to the importance of each of these topics, but they are not independent of each other. As such, it is imperative to understand the relationships between key policies and the connections between the policy alternatives.

1.5.1 Key Relationships

Forest Roads and Public Access & Recreation

DNR relies on forest roads to access the forests for management activities. Potential adverse environmental impacts are minimized and/or mitigated by the construction techniques, placement and use restrictions on active roads, as well as the closure or removal of inactive roads. The interests of the trusts drive DNR's decisions related to road miles and road use. The Public Access and Recreation policies address public access and use of DNR roads and forested state trust lands. The Forest Roads policy may limit public access and recreation in some areas under a policy to "minimize" the road network. The Public Access and Recreation policy may encourage more public access and recreation by aggressively seeking funding or other support through collaboration

with others that will accommodate current or increased public demand. The policy options compliment one another by focusing on the need to stay abreast of impacts resulting from all sources of use and emphasizing mitigation of those throughout the alternatives. Public funding can help mitigate the adverse impacts of public use on forest roads, as well as the adverse impacts to recreational opportunities that are likely to occur from more access restrictions.

Financial Diversification, Public Access & Recreation, and Forest Roads

DNR's actions to diversify the sources of revenue to trust beneficiaries, as suggested by the Financial Diversification policy, may change the management objectives that are key to the development and maintenance of DNR's road system. This in turn could impact the levels of public access and recreation through a changed road system, or the role of public access and recreation as a trust financial diversification strategy.

General Silvicultural Strategy and Other Policies

A key policy relationship exists between the General Silvicultural Strategy alternatives and several other proposed policies that are implemented through DNR's Silviculture Program. DNR's silvicultural strategies and treatments are the means for achieving multiple outcomes, e.g., revenue generation, wildlife habitat, forest health, riparian habitat and wildfire prevention. Although silvicultural treatments are carried out on a site-by-site approach, outcomes are set through other policies and plans that consider the landscape-scale impacts and mitigation measures. Treatments are prescribed to guide the progression of stand development to achieve outcomes and enhance forest structural diversity across the landscape. The moderation of cataclysmic events, such as large wildfires, as a result of silvicultural treatments designed to meet a variety of landscape-scale outcomes is also expected to result in the perpetuation of relatively stable and viable ecosystems. The combination of the policy outcomes described in this Final EIS and the use of silvicultural strategies to achieve them is expected to substantially mitigate the risk of significant adverse impacts to the environment.

Forest Land Planning, Watershed Systems, and Other Policies

Similar to the relationship between the General Silvicultural Strategy policy subject area and other policies, is the relationship between the Forest Land Planning policy subject area and other policies, including the defining of landscape-scale silvicultural strategies. Forest Land Planning is intended to provide a planning framework that ensures the accomplishment of policy outcomes. As such, the Forest Land Planning policy is procedural in nature. It does not contain substantive standards for the use or modification of the environment. However, the relationship between Forest Land Planning and the Watershed Systems policy is key to understanding the approach for considering cumulative impacts within watershed systems. The Watershed Systems alternatives are specifically designed to assess and identify the potential for significant cumulative impacts of DNR activities on watershed systems and provide mitigation when necessary. Forest Land Planning will provide the integration of cumulative impact assessment and analysis into landscape-scale planning where it's carried out. The flexibility to conduct planning at different scales to address unique circumstances provides additional mitigation to ensure a timely response to chronic or acute significant cumulative impacts within watershed systems.

Forest Health, Catastrophic Loss Prevention, and Wildlife Habitat

The Forest Health, Catastrophic Loss Prevention, and Wildlife Habitat policy subjects work together to address forest health problems related to maintenance of unique species; forest structure; composition and function (including stocking levels) This allows DNR to focus on ecosystem sustainability and the conservation of biodiversity across the landscape while mitigating and minimizing the potential catastrophic losses which may result from declining forest health.

1.5.2 Other Major Conclusions

The Board's Preferred Alternative for Riparian Conservation analyzed in this Final EIS is designed to fill a gap in the protection of non-fish streams in Eastern Washington. However, the effectiveness of this recommended alternative will largely depend on implementation guidance and strategies; although, where appropriate, site-specific and species-specific approaches will be utilized.

Emphasizing landscape-scale objectives over site-specific and species-specific objectives lowers the potential risk of probable significant adverse environmental impacts to wildlife and their habitat on forested state trust lands.

Probable significant adverse visual impacts are primarily mitigated through compliance with other laws and policies, e.g., the general 100-acre harvest size limitation under the Board's Preferred Alternative for Watershed Systems, leave tree requirements, riparian and wetland protection, forest land planning and SEPA analysis on both project and non-project proposals.

Probable significant adverse environmental impacts to the native tree gene pool on forested state trust lands are mitigated by a program that balances the protection of rare genes with careful management of seed supply. In addition, conservation lands, such as Natural Area Preserves and Natural Resources Conservation Areas, protect the native tree gene pool.

Probable significant adverse environmental impacts to special ecological features are mitigated by considering the contribution of special ecological features in meeting other trust obligations and providing a policy framework that allows for protection through a broader spectrum of strategies.

Probable significant adverse environmental impacts to cultural resources are mitigated by effective communication and promotion of collaboration with the Tribes and interested stakeholders.

Unavoidable Impacts

The probable significant adverse environmental impacts are evaluated and mitigation measures are discussed in this Final EIS within the context of the discussion and analysis of reasonable alternatives. Implementation issues are addressed in the Implementation, Reporting and Modification of the Policy for Sustainable Forests policy subject area. Periodic updates to the Board of Natural Resources, coordinated reporting and the

opportunity to review and modify policies when needed are intended to mitigate any future probable significant adverse impacts that might occur due to new information or unforeseen circumstances.

1.6 Phased Review

SEPA review is required on proposals for project and non-project actions, such as the *Policy for Sustainable Forests*. DNR will be proposing future project and non-project actions related to this *Policy for Sustainable Forests*. Those actions will range from programmatic to site-specific proposals for management activities, such as the development of recreational sites and timber sales.

Additionally, DNR recognizes that other departmental policies and guidance will need to be reviewed as a result of the Board of Natural Resources' adoption of the *Policy for Sustainable Forests*. Once the Board of Natural Resources has adopted these policies, other implementation guidance will be reviewed and amended, created or cancelled where necessary. Guidance, including procedures, that simply implements policies whose impacts are analyzed in this Final EIS and don't establish new direction or standards resulting in impacts outside the scope of those evaluated in this Final EIS, e.g., Old-Growth Stands in Western Washington, will not require additional analysis. If new direction or standards are required with potential impacts that were not possible to anticipate at the broad policy level and where those potential impacts have not been analyzed, subsequent SEPA analysis will be conducted.

DNR is specifically phasing the analysis of an Eastern Washington sustainable harvest calculation, which is anticipated to be completed within the next five years. The role, location and amount of older forests and old growth in Eastern Washington are anticipated to be analyzed as part of that process.

1.7 Alternatives Considered Through Scoping, But Not Analyzed

Under SEPA, a "reasonable alternative" is defined as "an action that could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation. Reasonable alternatives may be those over which an agency with jurisdiction has authority to control impacts, either directly or indirectly through requirement of mitigation measures" (WAC 197-11-786). For some policy subject areas, alternatives were considered, but not included in the detailed analysis, because they did not meet the purpose and need and, therefore, were determined not to be "reasonable."

1.7.1 Unstable Slopes

Unstable slopes was initially identified as an area that needed policy analysis. This policy subject area was eliminated after further scoping showed that current management activities could continue by relying on existing state and federal law and DNR's HCP, all

of which anticipate management activities, such as roads and harvesting, on potentially unstable slopes with proper mitigation. Current management activities range from total avoidance to mitigated activities on potentially unstable slopes.

1.7.2 Catastrophic Loss Prevention

An alternative was initially considered that stated no policy was needed in the *Policy for Sustainable Forests* regarding wildfire and catastrophic loss prevention. After further discussion, it was determined that there is a need for continued policy guidance for this policy subject area, particularly when considering management options available to DNR subsequent to a catastrophic loss. Therefore, the “no policy” alternative was not analyzed in this Final EIS.

1.7.3 Other Comments and Suggestions

During the initial scoping process and the Draft EIS process for the update of the *Forest Resource Plan*, many comments and suggestions were received from interested stakeholders and the public. DNR examined these comments and included many elements of them in the policy subject area discussions and alternatives presented in this Final EIS.

Other topics were determined to be outside the scope of this proposal. Those topics included speculative costs in financial analysis, management of grazing on forested lands, contract compliance, employee/contractor training and safety, theft protection, biosolids, management in municipal watersheds and forestland conversions. Most of these topics apply to other areas of DNR planning and policy-setting or areas for which DNR believes formal policy choices are not currently necessary.

1.8 Alternatives Suggested During Draft EIS Process, But Not Analyzed

1.8.1 Financial Diversification

An alternative was suggested for analysis that emphasized maximizing and protecting water quality, wildlife habitat, and recreation opportunities. This alternative was not analyzed because it did not meet the purpose, need and objectives of the *Policy for Sustainable Forests*. For additional discussion, see Appendix H.

Another suggestion was to include a policy or goal statement that promotes balanced age class and species distribution in the primary (forestland) trust asset. These are important considerations in meeting the objectives of sustainable trust management and as such will be considerations of implementing several of the policies, e.g. Financial Diversification, Forest Health, and General Silvicultural Strategy.

1.8.2 Financial Assumptions

A suggestion was made to include “net present value” in the policy objectives and the alternatives. Although “net present value” is an important consideration, it is not

exclusively used when making financial decisions. Other tools are also utilized when circumstances call for other approaches. See also Appendix H, Financial Assumptions subsection.

1.8.3 Old-Growth Stands in Western Washington

A suggestion was made that old growth should be protected down to 5 and 10 acre stands. The Board's Preferred Alternative has been amended to defer harvest of old growth for stands 5 acres and larger that originated naturally before the year 1850.

1.8.4 Wildlife Habitat

A comment was made that "if DNR believes that managing for biodiversity is the underpinning for sustainable forestry, what justification does it have for not employing these techniques on some portion of trust lands?" Biodiversity may be applied at both the landscape and stand levels and at various intensities. DNR will deliberately manage for various levels of biodiversity on all of our harvestable lands. To that end, DNR utilizes "cohort management" where multi-rotational, or legacy cohorts co-exist with one or more rotational, commercial cohorts within the same forest management unit. While legacy cohorts are managed to achieve environmental forest management unit (FMU) objectives (such as wildlife and mycorrhizal habitats), one or more commercial cohorts within the same FMU are managed to achieve the economic FMU objective.

DNR's objective of a "biodiversity pathways" approach to silviculture is for simultaneous increases in both habitat and income (Board of Natural Resources Resolution No. 1134) through the creation of more structural diversity across the landscape. The use of biodiversity pathways to accomplish habitat objectives will be done in a manner that fulfills trust objectives, e.g. under HCP obligations that require certain types of habitat, in exchange for benefits to the trusts.

1.8.5 Watershed Systems

Comments were submitted that the HCP planning unit scale is not adequate to address cumulative effects and also that landscape planning should include the watershed scale analysis to address cumulative effects. The Board's Preferred Alternative for Watershed Systems provides for cumulative impacts analyses to be conducted at different scales, including the watershed scale.

1.8.6 Riparian Management Zones

Alternatives Suggested But Not Analyzed are discussed under the Riparian Conservation policy subject area below.

1.8.7 Riparian Conservation

A comment was made that larger stream buffers could benefit stream stability, fish habitat and water quality and that Alternative 3 and the Board's Preferred Alternative provides no additional protection to some Type 4 and 5 streams in Eastern Washington over Alternative 1. In Eastern Washington, DNR recognizes that in some cases, simply

increasing the size of stream buffers could benefit streamside stability, habitat and water quality.

It is accurate to say that a moderate to high risk of adverse impacts to several functions of non-fish bearing waters exists for Eastern Washington under Riparian Management Zone Alternative 3 and the Board's Preferred Alternative for Riparian Conservation in this *Final Environmental Impact Statement on the Policy for Sustainable Forests*. The *Draft EIS on the Policy for Sustainable Forests* and *Final Environmental Impact Statement on the Policy for Sustainable Forests* analysis have highlighted the importance of the implementation phase of this policy proposal under the Board's Preferred Alternative in achieving the objectives set out by the Board of Natural Resources in meeting the purpose and need of the *Policy for Sustainable Forests*. In the past and currently, DNR is complying with Alternative 1 by placing riparian management zones along all non-fish perennial streams and along some non-fish seasonal streams when its deemed necessary to protect key non-timber resources. However, DNR has identified the need for additional implementation direction to ensure consistent approaches to non-fish streams in Eastern Washington and to ensure DNR fully meets the intent of the Board's Preferred Alternative. The Board's Preferred Alternative states that DNR will establish riparian management zones along seasonal non-fish bearing waters when necessary to protect key non-timber resources, such as water quality, fish, wildlife habitat and sensitive riparian and wetland plant species. Implementation direction should be in place upon adoption of the policy or shortly thereafter (within six months) and may either be procedural or substantive (requiring SEPA analysis), but in either case the intent is to ensure that the policy is achieved.

1.8.8 Local Economic Vitality

A suggestion was made to use full cost accounting to consider the economic benefits of ecological services to local communities. Whether full cost accounting is an appropriate approach to achieving the intent of this policy can be considered during implementation. DNR will explore and develop strategies to achieve the intent of this policy as part of implementation. The intent of Board of Natural Resources policy is to describe outcomes for DNR to achieve in managing forested state trust lands. Consequently, the policy statements do not describe or include directives on how to achieve those outcomes.

1.8.9 General Silvicultural Strategy

A suggestion was made that language from *Forest Resource Plan* Policy 30 that granted discretion to reduce trust income to provide extra protection for certain resources should be included in the updated policy. Since the protection of resources is covered in the individual policy subjects, and coupled with the fact that the General Silvicultural Strategy is simply the means of integrating and implementing the policies on the ground, it is unnecessary to include this language in the updated policy.

1.8.10 Forest Land Transactions

A comment was submitted that urged DNR to reconsider their practice of converting shrub-steppe. Consistent with the DNR's *Asset Stewardship Plan*, DNR has been looking

at opportunities to consider alternative land uses or to exchange high quality shrub-steppe to other agencies, such as the Bureau of Land Management and Washington Department of Fish and Wildlife, to ensure its protection.

In terms of DNR's agricultural lands, which are not governed by the *Policy for Sustainable Forests*, some conversion of lower quality fragmented shrub-steppe to cultivated agricultural or other income generating uses will occur. Others may occur through higher use, such as oil and gas production. Higher quality and larger contiguous patches of shrub-steppe habitat will continue to be evaluated for meeting trust objectives or transfer out of trust status, with compensation to the trusts, to ensure its protection.